GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2078
ANSWERED ON:11.08.2006
NATIONAL RURAL CREDIT FUND
Francis George Shri K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is planning to constitute a dedicated `National Rural Credit Fund* under NABARD to institute a sustainable, long term arrangement for concessional crop loans to farmers;

(b) if so, the details thereof and the measures taken in this regard so far,

(c) whether the Government proposes to take necessary steps to strengthen NABARD to expand its activities in agriculture and rural development; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b) : With the establishment of NABARD in 1982, two funds viz. National Agricultural Credit (Long Term Operations) (NRC(LTO) and National Agricultural Credit (Stabilisation) Fund which were maintained with RBI, were transferred to NABARD and renamed as National Rural Credit (Long Term Operation) and National Rural Credit (Stabilisation) Fund. As on 31st March, 2006, the amount outstanding under NRC (LTO) Fund and NRC (Stabilisation) Fund was Rs. 13,183 crore and Rs.1522 crore respectively. RBI is not in favour of creating a National Rural Credit (Short Term Operation) Fund with NABARD.

(c)&(d) : NABARD is an apex financial institution mandated for agricultural and rural development in the country with Government of India and RBI having a share holding of 27.5% and 72.5% respectively. NABARD is presently adequately capitalized with a Capital to Risk-weighted Assets Ratio(CRAR) of 38.78% as on 318t March 2005.